

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

NOTICE OF PURCHASED GAS)	
ADJUSTMENT FILING OF DELTA)	CASE NO. 2008-00238
NATURAL GAS COMPANY, INC.)	

O R D E R

On October 19, 2007, in Case No. 2007-00089,¹ the Commission approved rates for Delta Natural Gas Company, Inc. (“Delta”) and provided for their further adjustment in accordance with Delta’s Gas Cost Adjustment (“GCA”) clause.

On June 26, 2008, Delta filed its proposed GCA to be effective July 28, 2008. After reviewing the record in this case and being otherwise sufficiently advised, the Commission finds that:

1. Delta’s notice includes revised rates designed to pass on to its customers its expected change in wholesale gas costs.

2. Delta’s notice sets out an Expected Gas Cost (“EGC”) of \$15.0146 per Mcf, which is \$3.3260 per Mcf more than the previous EGC of \$11.6886.

3. Delta’s notice sets out no current quarter Refund Adjustment (“RA”). Delta’s notice sets out no total RA, which is no change from the previous total RA.

¹ Case No. 2007-00089, Application of Delta Natural Gas Company, Inc. for an Adjustment of Rates.

4. Delta's notice sets out a current quarter Actual Adjustment ("AA") of (\$.6555) per Mcf. Delta's total AA is \$2.3492 per Mcf, which is a decrease of \$.2089 per Mcf from the previous total AA.

5. Delta's notice sets out a Balance Adjustment ("BA") of (\$.1536) per Mcf, which represents a decrease of \$.2050 per Mcf from the previous BA.

6. Delta's GCA is \$17.2102 per Mcf, which is \$2.9121 per Mcf more than the previous GCA of \$14.2981.

7. The rates in the Appendix to this Order are fair, just, and reasonable, and should be approved for final meter readings by Delta on and after July 28, 2008.

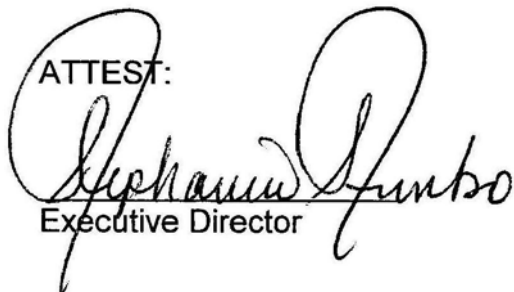
IT IS THEREFORE ORDERED that:

1. The rates in the Appendix to this Order are approved for final meter readings on and after July 28, 2008.

2. Within 20 days of the date of this Order, Delta shall file with this Commission its revised tariffs setting out the rates authorized herein.

Done at Frankfort, Kentucky, this 17th day of July, 2008.

By the Commission

ATTEST:

Executive Director

APPENDIX

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2008-00238 DATED JULY 17, 2008

The following rates and charges are prescribed for the customers in the area served by Delta Natural Gas Company, Inc. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of this Commission prior to the effective date of this Order.

RATE SCHEDULES

AVAILABILITY

Available for general use by residential, commercial, and industrial customers.

RATES

	<u>Base Rate</u>	plus	<u>Gas Cost Recovery Rate</u>	equals	<u>Total Rate</u>
Residential					
Monthly Service Charge	\$ 15.50				
All Ccf	\$.4158		\$1.7210		\$ 2.1368
Small Non-Residential					
Monthly Service Charge	\$ 25.00				
All Ccf	\$.4158		1.7210		\$ 2.1368
Large Non-Residential					
Monthly Service Charge	\$ 100.00				
1 – 2,000 Ccf	\$.4158		\$ 1.7210		\$ 2.1368
2001 – 10,000 Ccf	.2509		1.7210		1.9719
10,001 – 50,000 Ccf	.1713		1.7210		1.8923
50,001 – 100,000 Ccf	.1313		1.7210		1.8523
Over 100,000 Ccf	.1113		1.7210		1.8323

Interruptible

Monthly Service Charge		\$ 250.00		
1 - 10,000	Ccf	\$.16000	\$ 1.7210	\$ 1.8810
10,001 – 50,000	Ccf	.12000	1.7210	1.8410
50,001 – 100,000	Ccf	.08000	1.7210	1.8010
Over 100,000	Ccf	.06000	1.7210	1.7810